



**Miami Rescue Mission Clinic, Inc.**

Financial Statements

December 31, 2022

**GENVRT**

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Certified Public Accountants & Advisors

**Miami Rescue Mission Clinic, Inc.**

Financial Statements

December 31, 2022

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## **Independent Auditors' Report**

To the Board of Directors  
Miami Rescue Mission Clinic, Inc.

### **Opinion**

We have audited the accompanying financial statements of **Miami Rescue Mission Clinic, Inc.** (a non-profit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Miami Rescue Mission Clinic, Inc.** as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **Miami Rescue Mission Clinic, Inc.** and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **Miami Rescue Mission Clinic, Inc.'s** ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of **Miami Rescue Mission Clinic, Inc.'s** internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about **Miami Rescue Mission Clinic, Inc.'s** ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



Coral Gables, Florida

June 7, 2023

**Miami Rescue Mission Clinic, Inc.**  
Statement of Financial Position  
December 31, 2022

**Assets**

Current Assets	
Cash and cash equivalents	\$ 708,277
Restricted cash	11,012
Total Current Assets	719,289
Property and Equipment - net	505
Other Assets	
Security deposits	2,584
Other assets	3,887
Total Other Assets	6,471
Right-of-Use Asset	28,871
Total Assets	\$ 755,136

**Liabilities and Net Assets**

Current Liabilities	
Accounts payable	\$ 5,077
Deferred revenue	11,012
Lease liability, current	15,641
Total Current Liabilities	31,730
Long-Term Liabilities	
Compensated absences	6,597
Total Liabilities	38,327
Lease Liability, net of current portion	13,230
Net Assets	
Without donor restrictions	703,579
Total Liabilities and Net Assets	\$ 755,136

The accompanying notes are an integral part of these financial statements.

**Miami Rescue Mission Clinic, Inc.**  
Statement of Activities and Changes in Net Assets  
For the Year Ended December 31, 2022

	<u>Without Donor</u>	<u>With Donor</u>	<u>Total</u>
	<u>Restrictions</u>	<u>Restrictions</u>	
<b>Revenue and Support</b>			
Contributions of cash and other financial assets	\$ 114,446	\$ -	\$ 114,446
Contributions of nonfinancial assets	902,924	-	902,924
Grants	-	321,559	321,559
Fees for services	310,722	-	310,722
Other income	427,700	-	427,700
Total Operating Revenue	<u>1,755,792</u>	<u>321,559</u>	<u>2,077,351</u>
Net assets released from restrictions	321,559	(321,559)	-
Total Revenue and Support	<u>2,077,351</u>	<u>-</u>	<u>2,077,351</u>
<b>Expenses</b>			
Program services	1,500,913	-	1,500,913
Management and administration	389,576	-	389,576
Fundraising	55,479	-	55,479
Total Expenses	<u>1,945,967</u>	<u>-</u>	<u>1,945,967</u>
Change in Net Assets	131,384	-	131,384
Net Assets - Beginning of Year	<u>572,195</u>	<u>-</u>	<u>572,195</u>
Net Assets - End of Year	<u>\$ 703,579</u>	<u>\$ -</u>	<u>\$ 703,579</u>

The accompanying notes are an integral part of these financial statements.

**Miami Rescue Mission Clinic, Inc.**  
Statement of Functional Expenses  
For the Year Ended December 31, 2022

	Program Services	Supporting Services		Total
		Management and Administration	Fundraising	
Accounting	\$ -	\$ 14,711	\$ -	\$ 14,711
Bank charges	-	2,111	-	2,111
Building materials	-	3,265	-	3,265
Depreciation expense	-	4,025	-	4,025
Electronic medical records (EMR)	5,364	-	-	5,364
Employee	1,612	-	1,612	3,223
Equipment purchase	-	1,442	-	1,442
Grant fees	-	-	7,050	7,050
Health insurance	20,148	9,164	1,622	30,934
In-kind medications	25,410	-	-	25,410
In-kind professional services	612,831	-	-	612,831
In-kind rent	29,304	117,216	-	146,520
In-kind supplies	118,163	-	-	118,163
Insurance	8,829	2,022	-	10,851
Licenses and permits	-	1,673	-	1,673
Meals and beds	34,200	-	-	34,200
Medical doctor	122,210	-	-	122,210
Medical supplies	12,251	-	-	12,251
Medical waste	1,334	-	-	1,334
Miscellaneous	15,135	4,736	6,220	26,091
Office supplies	14,589	15,558	-	30,147
Payroll	366,753	166,806	29,519	563,078
Payroll taxes	31,378	14,272	2,526	48,176
Pharmacy	43,045	-	-	43,045
Rent	-	27,975	-	27,975
Seminar	13,825	-	-	13,825
Subscriptions and memberships	3,412	885	-	4,297
Travel and entertainment	-	2,421	6,930	9,351
Utilities	21,120	1,294	-	22,414
<b>Total Expenses</b>	<b>\$ 1,500,913</b>	<b>\$ 389,576</b>	<b>\$ 55,479</b>	<b>\$ 1,945,967</b>

The accompanying notes are an integral part of these financial statements.

**Miami Rescue Mission Clinic, Inc.**  
Statement of Cash Flows  
For the Year Ended December 31, 2022

**Cash Flows from Operating Activities**

Cash received from pledges and contributions	\$ 1,174,427
Cash paid to employees and suppliers	<u>(1,206,569)</u>
Net cash (used in) operating activities	<u>(32,142)</u>

**Cash Flows from Investing Activities**

-

**Cash Flows from Financing Activities**

-

Net decrease in cash, cash equivalents, and restricted cash	(32,142)
Cash, cash equivalents, and restricted cash - beginning of year	<u>751,431</u>
<b>Cash, cash equivalents, and restricted cash - end of year</b>	<b><u><u>\$ 719,289</u></u></b>

**Reconciliation of Change in Net Assets to Cash Provided by Operating Activities:**

Change in net assets	\$ 131,384
Depreciation	4,025
(Decrease) in deferred revenue	(166,481)
(Increase) in compensated absences	<u>(1,070)</u>
Total adjustments	<u>(163,526)</u>
Net cash (used in) operating activities	<u><u>\$ (32,142)</u></u>

The accompanying notes are an integral part of these financial statements.

# Miami Rescue Mission Clinic, Inc.

Notes to Financial Statements

December 31, 2022

## NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist in understanding the Organization's financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

### Organization

Miami Rescue Mission Clinic, Inc., (the "Organization" or the "Clinic") is a not-for-profit Florida Corporation incorporated in 2011. Miami Rescue Mission Clinic, Inc. is a premier community health center, rooted in the concepts of wellness, prevention and patient-centered care. The Organization's mission is to improve the quality of life of the diverse communities served by providing culturally appropriate, high quality and accessible health care for all. In 2011, the Organization was recognized by the Internal Revenue Service as a 501(c)(3). The Organization has three clinics located in Miami, Hollywood, and Doral.

### Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting. Classification of the Organization's net assets and its revenues and expenses are based on the existence or absence of donor-imposed restrictions.

The financial statements of the Organization have been presented in accordance with the provisions of Financial Accounting Standards Board Accounting Standards Codification Topic 958-205, "Not-for-Profit Entities-Presentation of Financial Statements". This standard establishes external financial reporting requirements for not-for-profit organizations that include basic financial statements presented herein and the classification of resources into the following net asset classification:

**Net assets without donor restrictions** - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

**Net assets with donor restrictions** - Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

### Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

### Restricted Cash

Restricted cash consists of amounts received from grantors which was not spent as of year-end.

## Miami Rescue Mission Clinic, Inc.

Notes to Financial Statements

December 31, 2022

### **NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### Property and Equipment

Property and equipment are stated at cost. Depreciation is provided utilizing the straight-line method over the estimated useful lives of the assets. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in income for the period. The Organization follows the practice of capitalizing all expenditures for property and equipment in excess of \$1,000, lesser amounts are expensed. The estimated useful lives for property and equipment are five years.

Expenditures for maintenance and repairs are charged to income as incurred. Expenditures for betterments and renewals are capitalized. The carrying amount of assets sold or retired and related accumulated depreciation are eliminated from the accounts in the year of disposal and the resulting gain or loss is included in income.

#### Fair Value of Financial Instruments

The Organization has a number of financial instruments, none of which are held for trading purposes. These include cash and cash equivalents and payables. The Organization estimates that the fair value of all financial instruments at December 31, 2022 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet.

#### Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends, or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

#### Contributed Nonfinancial Assets

The Organization records the value of donated rent and building services when there is an objective basis available to measure their value. Donated rent and building services are reflected as in-kind contributions in the accompanying statements at their estimated fair values. In-kind contributions also include donated materials and supplies, and professional services provided by medical providers and nurse practitioners. Donated supplies are recorded at values provided by the donors and donated professional services are recorded using suggested rates and values from the Florida Department of Health.

#### Grant Awards

The Organization receives funding from state and local agencies that supplement its funding sources. The Organization recognizes the award as grant revenue as the expenses stipulated in the grant agreement have been incurred.

## Miami Rescue Mission Clinic, Inc.

Notes to Financial Statements

December 31, 2022

### NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Revenue Recognition

The Clinic recognizes fees for service revenue upon services being rendered to patients.

#### Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

Expense	Method of Allocation
Accounting	Time and effort
Bank charges	Time and effort
Building materials	Square footage
Depreciation expense	Square footage
Electronic medical records (EMR)	Time and effort
Employee	Time and effort
Equipment purchase	Square footage
Grant fees	Time and effort
Health insurance	Time and effort
In-kind medications	Estimated fair value
In-kind professional services	Full time equivalent
In-kind rent	Square footage and estimated fair value
In-kind supplies	Estimated fair value
Insurance	Time and effort
Licenses and permits	Time and effort
Meals and beds	Time and effort
Medical doctor	Time and effort
Medical supplies	Time and effort
Medical waste	Time and effort
Miscellaneous	Time and effort
Office supplies	Time and effort
Payroll	Time and effort
Payroll taxes	Time and effort
Pharmacy	Time and effort
Rent	Square footage
Seminar	Time and effort
Subscriptions and memberships	Time and effort
Travel and entertainment	Time and effort
Utilities	Time and effort

#### Compensated Absences

The Organization accrues paid leave (paid time off) based on actual hours worked by employees throughout the year. Employees may carry a balance of up to 120 accrued hours to a subsequent year. Accrued compensated absences were \$6,597 as of December 31, 2022.

## Miami Rescue Mission Clinic, Inc.

Notes to Financial Statements

December 31, 2022

### NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Deferred Revenues

Upon receipt of award notifications, a percentage of total awards may be advanced to the Organization by each grant program, in accordance with each program's advanced payment policies. As of the year ended December 31, 2022, the Organization had an outstanding advanced payment balance of \$11,012 recorded as deferred revenue.

#### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Income Tax Status

The Clinic is an organization exempt from income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. The Organization qualifies as a charity under Section 170(b)(1)(A) and is not a private foundation, so contributions to the Clinic are deductible as charitable contributions. The Clinic files its Form 990 with the federal authorities. As of the year ended December 31, 2022, the Clinic's tax years for 2020, 2021, and 2022 are subject to examination by the tax authorities.

#### Leases

Leases are defined as the right to use an underlying asset. When a leasing arrangement is identified, a determination is made at inception as to whether the lease is a finance lease or an operating lease. As a lessee, the Organization recognizes a lease liability and an intangible right-of-use (ROU) lease asset at the beginning of a lease unless the lease is considered a short-term lease, less than 12 months in duration. ROU lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. Remeasurement of a lease liability occurs when there is a change in the lease term and/or other changes that are likely to have a significant impact on the lease liability.

The Organization recognizes a right-of-use asset and a lease liability at the lease commencement date. The lease liability is calculated based on the present value of the contractual minimum lease payments using the risk-free rate of return. The Organization has elected to use the risk-free rate of return as the discount rate, under the ASU 2021-09, Leases Topic (Topic 842): Discount Rate for Lessees that are not public business entities.

## Miami Rescue Mission Clinic, Inc.

Notes to Financial Statements

December 31, 2022

### **NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

#### Leases – continued

Finance lease assets are recorded within property and equipment, with a corresponding amount recorded within the Organization's lease obligations. Finance lease expense is composed of depreciation expense on the leased asset and interest on the lease liability. Operating leases with a duration greater than one year are included in operating lease right-of-use assets and operating lease liabilities in the Organization's balance sheet at December 31, 2022. The operating lease right-of-use assets also include any lease payments made and exclude lease incentives received or receivable. Lease expense is recognized on a straight-line basis over the expected lease term. Variable lease expenses are recorded when incurred.

The Organization calculates the amortization of the discount on the lease liability. Payments are allocated first to accrued interest liability and then to the lease liability. Variable lease payments based on the usage of the underlying asset are not included in the lease liability calculations but are expensed in the period in which the obligation was incurred.

#### Subsequent Events

Subsequent events have been evaluated through June 7, 2023, which is the date the financial statements were available to be issued. There were no subsequent events requiring disclosure in the financial statements for the year ended December 31, 2022.

#### New Accounting Pronouncements

In September 2020, the FASB issued Accounting Standards Update ("ASU") 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958), which requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributed or other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received. The Agency adopted this ASU effective July 1, 2021 using the retrospective basis. Adoption of the ASU did not have a significant impact on the financial statements, with the exception of increased disclosure.

In February 2016, the FASB issued Accounting Standards Update ("ASU") 2016-02, Leases (Topic 842). The objective of this ASU is to increase transparency and comparability in financial reporting balance recognition of leases and note disclosure of certain information about lease arrangements. The update requires lessees to recognize a right-of-use asset and related lease liability for many operating leases currently off-balance sheet under current U.S. GAAP. Also, the FASB has issued amendments to the update with practical expedients related to land easements, lessor accounting, disclosures related to accounting changes and error corrections. The ASU has been implemented using a modified retrospective approach effective January 1, 2022. As of January 1, 2022, the implementation resulted in a recognition of a right-of-use asset of \$42,985 with a corresponding lease liability of \$42,985, with no change to beginning members' equity.

# Miami Rescue Mission Clinic, Inc.

Notes to Financial Statements

December 31, 2022

## NOTE B – CONCENTRATIONS OF CREDIT RISK

### Major Funding Sources

During the year ended December 31, 2022, the Organization received approximately 26% of its funding from Miami Rescue Mission, Inc. (the "Mission") for services provided to enrolled members of the Mission, and in-kind rent (see Note G).

### Deposits Held in Financial Institutions

The Organization maintains its cash balance in a financial institution. The balances are fully insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. As of December 31, 2022, the Organization did not have any uninsured balances.

### Geographical Area

The Organization has locations that are in a geographical area that is affected by hurricanes. The Organization mitigates this risk through adequate insurance coverage of its assets.

## NOTE C – AVAILABILITY AND LIQUIDITY

The Organization's financial assets available to meet general expenditures over the next twelve months is made up of cash and cash equivalents of \$708,277 and restricted cash of \$11,012. The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$487,000). In general, the Organization maintains sufficient financial assets on hand to meet ongoing operating expenses. As part of its liquidity plan, the Organization is making efforts to minimize operating expenses where feasible.

## NOTE D – CASH AND RESTRICTED DEPOSITS

The balance in cash, cash equivalents, and restricted deposits consists of the following:

Operating cash	\$ 708,277
Restricted cash	11,012
	<u>\$ 719,289</u>

## NOTE E – PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2022 is as follows:

Equipment	\$ 30,129
Less: Accumulated depreciation	(29,624)
Property and equipment - net	<u>\$ 505</u>

Depreciation expense for the year ended December 31, 2022 was \$4,025.

## Miami Rescue Mission Clinic, Inc.

Notes to Financial Statements

December 31, 2022

### NOTE F – RELATED PARTY TRANSACTIONS

During 2022, the Miami Rescue Mission, Inc. (the “Mission”), an affiliate of the Clinic which provides shelter, residential programs and other programs and services to the poor and needy (members), paid \$300,000 in fees for services provided by the Clinic to the Mission’s members.

During 2018 the Clinic signed a lease agreement with the Mission for the use of the Clinic’s facilities. Commencing in August 2018, rent is to be paid at \$1,000 per month through July 2028. The fair market value of the rent of the facilities is approximately \$11,275 per month. During the period from January 2018 through July 2018, \$7,500 per month was recorded to in-kind contributions. Commencing in August 2018, the difference between the rent per the lease agreement and the fair market value of the rent, \$10,275, was recorded to in-kind contributions. Total rent expense for the year ended December 31, 2022 amounted to \$146,520, including \$134,520 as in-kind contributions.

The Clinic occupies space in an additional location within the Mission’s facility in Hollywood. Total rent expense for this location for the year ended December 31, 2022 amounted to \$12,000 and is included as in-kind contributions.

During 2021, the Clinic transferred \$4,500 to a board member for future electronic medical records service expenses. During 2021, the Clinic incurred an expense of \$613 for electronic medical records, which was paid from the balance held by the related party. As of December 31, 2022, a balance of \$3,887 is being held for the future use of the Clinic, and is presented on the balance sheet as other assets.

### NOTE G – OPERATING LEASES

The Organization has operating leases for the use of a medical office space in Doral. The leases contain an option for extension, which is included in the valuation of the right-of-use lease asset and liability amounts, because the Organization is reasonably certain they will exercise the options. The following table provides information on the right-of-use asset, lease liability, and discount rate and lease terms at December 31, 2022:

Right-of-use asset	\$	28,871
Lease liability		28,871
Weighted average discount rate used to calculate present value of future minimum lease payments		1.64%
Weighted average lease term (in years)		5
Lease Cost and Supplemental Information:		
Operating Lease Cost	\$	15,975
Operating cash flows from operating leases		15,975

# Miami Rescue Mission Clinic, Inc.

Notes to Financial Statements

December 31, 2022

## NOTE G – OPERATING LEASES (continued)

### Future Lease Payments

As of December 31, 2022, the Organization’s future lease payments under non-cancellable lease consisted of the following:

	2023	15,975
	2024	13,313
Total undiscounted cash flows	\$	29,288
Less: net present value adjustment		417
<b>Total</b>	<b>\$</b>	<b>28,871</b>

## NOTE H – CONTRIBUTIONS OF NONFINANCIAL ASSETS

The Organization recognized contributions of nonfinancial assets, including contributed professional services, use of facilities, contributed supplies and medications. Contributions of nonfinancial assets are initially recorded as contributions with donor-imposed restrictions, the stipulations imposed by the donors and grantors are often met within the fiscal year and are subsequently reclassified to net assets without donor restrictions in the statement of activities.

The contributions of nonfinancial assets are recorded at fair market value. The fair market value for the use of facilities is determined by an analysis of the current market value of the rental spaces available in the same geographical area as the Clinic. The fair value for the contributed professional services is determined by utilizing the current market value of the hourly wage of various positions held by the medical professional volunteers at the clinic. The fair value for the contributed medical supplies, and medications are determined by the value assigned to by the donor.

During 2022, the Organization received \$146,520 in in-kind rent, \$612,831 in contributed professional services, \$118,163 in contributed medical supplies, and \$25,410 in contributed medications, amounting to \$902,924 in total contributions of nonfinancial assets.

The contributed use of facilities is utilized for the program services and for general and administrative activities. The contributed professional services from volunteers, contributed goods, medical materials and drugs are utilized for the program services.

## NOTE I – CONTINGENCIES

### Grants

The Clinic receives a number of grants from local governmental agencies and private foundations. These grants are subject to monitoring by the corresponding oversight agency as to allowable costs. Failure to comply with the provisions of the grants could result in the return of funds to the grantors. Although that is a possibility, the Clinic deems the contingency remote since, in management’s opinion, the Clinic has complied in all material respects with the provisions of the grants.